## NONCOMPLIANCE REPORT

Attachment to Atlanta Gold Corporation's Discharge Monitoring Reports

<u>March 2019</u> – There was only one exceedance event for the month that occurred on March 11<sup>th</sup> which produced an arsenic concentration of 16 ug/L. All other arsenic results for the month were all in compliance. The highest iron concentration was 100 ug/L which is well below the limit of 1000 ug/L.

Atlanta Gold Corporation immediately looked into the cause of this exceedance by reviewing the daily reports, discussing the spike with the on-site personnel to determine what might have caused it and reviewing the precipitation records. After checking the precipitation and snow water accumulation records for this date, the records indicated that the Atlanta Summit readings were higher than both the average precipitation and median snow water accumulation listed in the records (1981-2010). This may have caused the spike since sampling the following week showed that results were back down to 6 ug/L.

There was a similar event last year around this same time period and we've recently seen the flow levels start to increase.

<u>May 2019</u> – The arsenic concentrations during the first two weeks were 38 ug/L and 13 ug/L. Although they exceeded the limits, the last two weeks showed the arsenic levels went back down to 10 ug/L and then 9 ug/L.

In reviewing the records, it appears that there may have been activity underground that caused these spikes. The influent flow was 80.2 gpm on the first sampling day and the next day it increased to 102.9 gpm. The influent flow continued increasing for a few days up to 111 gpm and then dropped almost in half to 64.9 gpm before it started rising again five days later to 228.7 gpm.

<u>June 2019</u> – The arsenic concentrations for the effluent for June were 28 ug/L, 11 ug/L, 10 ug/L and 17 ug/L. We are not sure of the reasons for the slight increase in arsenic but will do some checking.

<u>July 2019</u> – During the month of July, we experienced an up and down with the arsenic levels coming out of the effluent weir - 16 ug/L, 14 ug/L, 25 ug/L, 34 ug/L and then 26 ug/L. The July 8<sup>th</sup> lab results for the 900 Adit – behind the Bulkhead sampling site were extremely higher than the week before and the week after. In discussions with the lab, it was stated that due to the amount of sediment the lab had to perform a digestion on this particular sample which is abnormal for this sampling site. This may be indicative of underground activity in the adit tunnel.

<u>August 2019</u> – There was an increase in the weekly effluent discharges for arsenic from 44 ug/L for August 5<sup>th</sup> to 62 ug/L for August 26th. While there may be some underground activity contributing to this increase, AGC has also experienced some financial issues that have affected the Pilot Water Treatment Facility (PWTF). Due to the inability to pay a former employee, that former employee removed equipment that was required to maintain the PWTF. AGC is making every effort to keep effluent levels as low as possible with the resources available to them while continuing to seek financial support for the Atlanta project.

<u>September 2019</u> – September saw a drop to 59 ug/L for arsenic for the first weekly effluent discharge and after maintenance was done on two of the tanks, the results dropped down to 17 ug/L the following week. During the third and fourth weeks the discharge results increased to 31 ug/L and then to 40 ug/L, respectively. AGC is currently working on obtaining equipment and additional filter media.

October 2019 – The October weekly effluent arsenic discharge ranged from 58 ug/L down to 36 ug/L and then went up to 50 ug/L for the last sample. At the end of October, AGC was able to get the necessary equipment and filter media on site to begin cleaning and recharging the cells. It is anticipated that the effluent arsenic discharge will be back in compliance once the maintenance of the cells is completed.

November 2019 – During November, maintenance on the tanks and cells was performed. The first weekly arsenic effluent was at 39 ug/L and the iron was at 400 ug/L. The following two weeks saw a drop in arsenic to 8 ug/L and then to 9 ug/L, respectively, as well as a drop in iron to <50 ug/L for both weeks. During the last week of November, the weekly arsenic effluent sample went up a little to 12 ug/L and the iron went up to 220 ug/L. Both the arsenic and iron should settle down now that the maintenance has been performed and we anticipate December samples should all be in compliance.

<u>December 2019</u> – The first two weeks in December, saw the sample results going down to 10 ug/L and 9 ug/L respectively. The third week's sample was elevated slightly to 14 ug/L and in review of the records, this elevation may have been caused by the weather with snowfall and then melting snow. All three samples for the month were below the baseline of 32 ug/L for arsenic. Due to the Christmas holiday, weather and the winter mail schedule, no samples were taken for that week. There was some misunderstanding the following week and after discussions with site personnel and calls to the lab and mailman, we were not able to get samples in time to submit to the lab before the first of the year.